



Chhatrapati Shahu Ji Maharaj
University, Kanpur

Answer Script Details
Barcode 5866349

Roll No. 23072000247
Total Mark 49/75.00

Exam BACHELOR OF COMMERCE_ODD EXAM-DEC-24
Subject C010301T - COMPANY LAW

Question wise Mark Summary

Q.No Mark Q.No Mark Q.No Mark Q.No Mark

1A 3/5 8 NA/15

1BI 2/2 9 NA/15

1BII 1/2

1C 3/5

1D 3/5

1E 3/5

1F 4/5

1GI 2/2

1GII 2/2

1H 3/5

1I 3/5

2 NA/15

3 NA/15

4 NA/15

5 9/15

6 11/15

7 NA/15

Chhatrapati Shahu Ji Maharaj University Kanpur, Uttar Pradesh

PART-II

MARKS OBTAINED

Q.	1	2	3	4	5	6	7	8	9	10
(a)										
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Total Marks in Figures										Max. Marks
Total Marks in Words										



C O L O 3 0 1 T
Paper Code

Signature of Evaluator

Date of Exam : 03/11/25 Shift : 1st Room No. : _____

Paper Code : C O 1 0 3 0 1 T Subject : Company Law Year/Sem : III Sem.

Name of Candidate : Aknati Dubey

Roll No. : 2 3 0 7 2 0 0 0 2 4 7

Signature of Candidate
 Signature of Invigilator
 COE Facsimile

Course : B.com

Session : 2024-25 Year/Semester : III sem.

Subject Name : Company Law

Medium : English Hindi

Paper Code

C O L O 3 0 1 T

Exam Date

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Name of Candidate

A K R A T I D U B E Y

Father's Name

G I R J E S H D U B E Y

निम्नलिखित को भरें
College Code

E W O 2

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F	D	2	2
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निम्नलिखित को भरें
Type of Exam

Regular Ex-Student
 In-Service
 Private
 Back Paper Exam

ANSWER BOOKLET NO.

5866349

C O L O 3 0 1 T
Paper Code



Enrolment Number : C S J M A 2 3 0 0 0 1 3 1 4 7 7

Candidate's Roll Number

Paper Code



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Aknati

Signature of Candidate

Signature of Invigilator

परीक्षा केन्द्र - EW-02

C S Facsimile

Signature

COE Facsimile

नोट - 1. परीक्षार्थी को निर्दिष्ट किया जाता है कि आवरण वाले को पृष्ठ पर उचित सभी विवरों को सावधानीपूर्वक भरी।
2. परीक्षा में भरी जाने वाली प्रतिक्रियाएँ सभी उत्तरों से शुरू की जानी। 3. परीक्षा को खाली या गलत ढंग से भरा जाना।

INSTRUCTION TO THE CANDIDATE FOR FILLING PART-I

परीक्षार्थियों को दिए गए निर्देश

1. Read the instructions carefully given on the answer script and admit card.
2. Write Date of Exam, Shift, Paper Code & Name of Subject Correctly.
3. Write Name & Roll No. Correctly.
4. Write Semester & Branch Correctly.

1. प्रश्न पत्र एवं उत्तर पुस्तिका पर दिये गये निर्देशों को ध्यान से पढ़ें।
2. कृपया पृष्ठ के दूसरी तरफ कुछ न लिखें।
3. उत्तर पुस्तिका के पृष्ठों पर दोनो तरफ लिखें।
4. प्रश्न पत्र पर अपने अनुक्रमांक के अधिलेख कुछ न लिखें।
5. प्रश्न पत्र कोड एवं प्रश्न पत्र ID सावधानी पूर्वक लिखें।
6. अपनी विधि स्पष्ट लिखें।
7. उत्तर पुस्तिका के पृष्ठों की संख्या देखें। अगर उत्तर पुस्तिका में पृष्ठ (1-24) से कम है या कम है तो परीक्षा शुरू होने से पूर्व दूसरी उत्तर पुस्तिका ले लें।
8. प्रश्नपत्र को देख, यदि प्रश्नपत्र की विषय कोड, विषय का नाम तथा प्रश्न में कोई त्रुटि है तो उसके परीक्षा शुरू होने से 20 मिनट के अन्दर कक्ष निरीक्षक को तत्काल सूचित करें, उसके बाद फिर परीक्षा शुरू करें।
9. प्रश्नों के उत्तर लिखने से पहले कैलिकुलर का प्रयोग न करें।
10. बी जेपी का अधिलेख कुछ नहीं दिया जायेगा।

INSTRUCTION TO THE CANDIDATE FOR FILLING PART-III

1. Use blue or black ball point pen for writing alphabets & numerals in boxes.
2. Carefully study the example before you start marking.
3. As shown in the example below, blacken the circles completely.



4. Make no Stray marks on this sheet.

5. DO NOT WRITE OR MARK ON THE BAR CODE.

IN ORDER TO AVOID UFM (UNFAIR MEANS) :

1. The Roll No. and Answer Book no. found elsewhere or any other symbol found in the answer book will be treated as unfair means.
2. Any tempering of Bar Code and Booklet no shall be treated as Unfair Means.
3. Do Not bring the materials like slip of paper/mobile/digital diaries/ study material/ revision notes in examination hall. Possession of the mobiles/ digital diaries/electronic/digital/ watch and any other electronic gadget except memory less scientific calculator shall be considered as UFM case.
4. Do not keep or paste currency note in answer script it shall be consider as UFM.

INSTRUCTION TO THE CANDIDATE

1. Read the instructions carefully given on the Question Paper, Admit Card & Answer Script.
2. Do not write anything on back side of the cover page.
3. Write on both sides of pages of answer book.
4. Do not write anything on question paper except Roll Number.
5. Write Paper Code & Question Paper Id carefully.
6. CHECK the number of pages (1-24) or any other kind of damage in your answer script, if found than change the answer script immediately before the commencement of examination.
7. CHECK the Question Paper for any kind of discrepancy e.g. Subject Code, Subject Name, and Question of the Question Paper during first THIRTY MINUTES of the commencement of the exam, so that it can be corrected in TIME. After that no corrections shall be entertained by the university.
8. Do not use pencil for answering the question.
9. Write status correctly e.g. those appearing in carry over papers should fill in status as Carry Over. Those appearing as Ex- Students should fill in status as ex.
10. No supplementary answer book & graph paper will be provided.

INSTRUCTION TO THE CANDIDATE FOR FILLING PART-IV

1. Use blue or black ball point pen for writing alphabets & numerals in boxes.
2. Use blue or black ball point pen for filling the circles.

अनुचित साधन से बचने हेतु :

1. उत्तर पुस्तिका की निर्दिष्टित स्थान को छेदकर अनुक्रमांक एवं उत्तरपुस्तिका का क्रमांक कहीं और न लिखें तथा कोई भी चिह्न न बनायें क्योंकि यह अनुचित साधन इस्तेमाल की परिधि में आता है।
2. उत्तर पुस्तिका की बरकोड अथवा उत्तर पुस्तिका संख्या पर छेद लगाने पर अनुचित साधन प्रयोग माना जायेगा।
3. परीक्षा कक्ष में किन्हीं वस्तुओं काय न लायें, जैसे किन्हीं तरह कागज की टुकड़ों, मोबाइल, डिजिटल डायरी, डिजिटल वॉच, कैलिकुलर, कुलक वगैरह वस्तुओं को अनुचित साधन के अन्तर्गत आती है। केवल संश्लेषित प्रश्नपत्र में ही कैलिकुलर लेस साइंटिफिक कैलिकुलरर ले जाने की अनुमति होगी।
4. उत्तर पुस्तिकाओं में रुपये व रुपये न ही उत्तर पुस्तिका में लिखायें। ऐसा करने अनुचित साधन प्रयोग की परिधि में आता है।

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Note- If your Roll No. is of 10 digits. Please leave first three columns .





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(a)

Corporate Veil

As per Company Law, 2013

Corporate Veil is a curtain between the actual owner of the company and company itself.

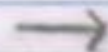
It literally means that the company and the owner are two different persons or entity.

Under following circumstances corporate veil can be pierced -

Piercing of corporate veil refers to considering company and its owner is the same regardless of considering both of them different.

① If any type of fraud takes place -

If any type of fraud takes place in the company or any serious allegation are imposed then the owner of the company will be responsible.





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2

① If the annual reports are not being submitted on time -

If the annual reports of the company i.e. audit reports, financial reports or cash flow reports are not submitted to government on time then the corporate veil can be lifted.

② If there is any illegal work is going on in the company -

If there is any illegal work is going on in the company which government has strictly prohibited then the corporate veil can be lifted up.



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(b) Write a short note on -

(i)

Corporate Social Responsibility

Corporate social responsibility means responsibility of the company towards the society or social welfare.

As per company's law, 2013, it is very essential for a company to look towards society while doing any business.

The course of commencement of business should not harm the society.

(ii)

Independent directors,

As per company law, 2013 sec 2, independent director refers to the





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directors which are not related to the company in any manner.

It is compulsory for a company to appoint $\frac{1}{3}$ rd of independent directors in the total no. of directors of the company.

for example ✓ if a company has 15 ✓ ectors then at least 5 directors should be independent directors.





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(c)

Dormant Company

As per company law, 2013

The definition of dormant company is defined under section 2, as

A dormant company is a company which is not active company but made for becoming an active company in future.

Provisions of dormant company

Some provisions of dormant company are as follows -

- ① Dormant company gets the status of dormant company for a period of 5 years after that period we have to renew its status of being dormant.





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⊙ As per the law, the dormant company does not have to submit an audit or legal reports to the government during its tenure of being a dormant company.

⊙ As per the law, a dormant company can register any intellectual properties on its name. Majorly, the owner gets a dormant company registered for this purpose.





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(4) Memorandum of Association

As per company's law, 2013, section 2, schedule I, memorandum of association is a charter of company. It is the constitution of the company on which the company performs.

It is the most important document and it is compulsory to be made while incorporating the company.

It makes the relationship of the company with the outside world.

It contains the clause outside which company cannot perform.

Contents of MOA

MOA contains five clauses →



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1) THE NAME CLAUSE -

This clause contains the name of the company and also the type of company to which it belongs.

2. THE OBJECT CLAUSE

This clause contains the main objective on which the company going to run business. outside these clause company cannot do any action

3. THE ADDRESS CLAUSE.

This clause contains the address of the company head office etc.

4. Directors clause - This clause contain the information about the directors.

5. capital clause.

This clause contains the capital invested and subscribed information of the company.



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(e)

Buy Back of Shares

Buy Back of shares refers to buying back of its own shares of the company from the market which are available in the market.

Conditions & Procedure

Conditions -

The company can buy its shares from the market after following the some conditions -

- ① The company can buy more than 5% of its paid up share capital value.

ex. if paid up share capital is 500 cr then company can buy upto 25 cr only →



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- ① The company can only buy back its shares from specific reserves but not from capital reserve.
- ② The company cannot buy back the share which are not fully paid up yet.

PROCEDURE -

- ①. The company has to organise an Annual General Meeting.
- ②. In the Annual General Meeting company has to pass the specific resolution on which 75% majority agrees.
- ③. Company has to discuss the value of buying the share.

After all these agreements, company

- ④. can buy the shares from secondary market.



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(f)

BONUS SHARES

Bonus shares are those shares which are issued to employees in a predefined proportion for encouraging the employees from the free reserves.

These shares are issued when there is an excess of free reserve is available.

CONDITIONS

Company has to following some conditions before issuing the Bonus shares to the employees -

- ① The company must conduct an Annual General Meeting
- ② Special Resolution it is passed on which 75% votes are compulsory.
- ③ The proportion of Bonus share is decided before issuing them to the employees. for example





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For example - If it is decided that the Bonus shares will be issued in the ratio of 1:5 then it means one share will be issued on bonus on every 5 shares.

- ① The value of Bonus shares shall not exceed 25% of its paid up share capital. ✓





(g) Write the notes on -

(i) **Ultra Virus**
Borrowing

Ultra means outside, so the literal meaning of ultra virus means any thing which is done outside of the rules of regulations which are pre-decided.

Ultra vires borrowing refers to the borrowing outside the objective clause of the company and this type of borrowing will be considered as void and not allowed in the company.

Article of Association

As per company law, 2013, section 2 defines the Article of Association as, an article which contain the rules and regulations for the internal management of the company.

Article of Association makes the relationship between company and its members.

It is not compulsory to make article of Association in the company while incorporation.



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(h) Distinction between
Shareholder & Member

BASIS	SHAREHOLDER	MEMBER OF COMPANY
Definition	A shareholder is a person which has its share in the company. OR a person who purchase preference or equity shares in the company.	A member of the company does not mean he or she should have share in the company, a director can be a member also
Section	It is defined under section 2 (13)	It is defined under section 2 (13) (iii)
Rights.	A shareholder may or may not have a voting right in the company.	A member must have a voting right in the company.
Example	Equity shareholders, preferential share holders.	managing Directors, promoters etc.



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(i)

Quorum

As per Company Law 2013, section 20, quorum refers to -
meetings or conferences which are pre decided in the law to be held within the define period in the company after it is incorporated.

Quorum can be classified into two types i.e. Annual General meeting or Extra ordinary General meeting.

It is compulsory for the company to conduct a Quorum within 10 months after being incorporated.

Its Objectives

There are various objectives of quorum that are as follows.

① To run the company effectively. →



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It is very important to conduct a Quorum to run the company effectively.

① To collect the views of the members -

It helps in collecting views of every member on certain important topics of matters of the company.

② To enhance the performance of the company -

Quorum also helps in enhancing the performance of the company. It is one of its main objective.



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SECTION (B)

5.

Company

The word company is defined under Section 2(20) of company law 2013,

It is an association of the persons which come together to fulfill an objective (profit).

The word company means or comes from the Latin word 'com' means coming together and 'panis' which means bread, so in earlier time company word refers to company together to eat.

In the modern era, the meaning of company is evolved and it means an organisation which is formed for the motive of profit.





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TYPES OF COMPANIES, As per Companies Act, 2013

① On the Basis of Incorporation

CHARTERED
COMPANY

STATUTORY
COMPANY

② On the Basis of Liability

Limited Liability
Company

Unlimited Liability
Company

Limited
by Shares

Limited by
Guarantee

③ On the Basis of Control

Government
Company

Holding
Company

Subsidiary
Company

Associate
Company

④ On the Basis of ownership

One person
Company

Public
Company

Private
Company

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Characteristics

1. Separate Legal Entity - A company is a separate legal entity i.e. the owner is different from the company in legal perspective.
2. Perpetual succession - A company does not die or end on dying of its members.
3. Artificial person - A company is an artificial person and not a natural person.





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TYPES OF SHARES

- ①. Right shares - These are the shares which are issued at par to the employees of the company before issuing in the market.
- ②. Bonus shares - These shares are fully paid shares which are issued free from free reserves to its employees.
- ③. Private shares - These are the share which are issued to some private ~~members~~ before issuing in the market -





SECTION (C)

6) Private company

The term private company is defined in the company Law, 2013 under section 2(13), private company refers to the company which is not a public company. ✓

Features of Private company

- ⇒ 1. It cannot transfer its shares without permissions.
- ⇒ 2. It should have at least 2 directors.
- ⇒ 3. There is no need to publish its information, so the thing remain confidential.

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④. Private company should have at least 2 members.

⑤ Private company can maximum has 200 members.

Difference between Private & one person company

① Private company has minimum 2 member and one person company has minimum 1 member.

② Private company has maximum 200 members while one person company can have maximum one member only.

③ One person company must have at least one director and private company must have at least 2 directors.

④ one person company is owned by one person and private company is owned by more than one person.



Differences between holding and subsidiary company -

Basis	Holding company	Subsidiary company
Definition	Holding company refers to the company which holds more than 50% of shares of the company.	Subsidiary company refers to the company whose more than 50% shares are owned by its holding company.
Section	It is defined under sec 2(26) of company law.	It is defined under section 2(28) of company law.
Control	Holding company has controlled the voting rights of subsidiary company.	Subsidiary company does not have any control over its holding company.

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